



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX
COLLECTOR • PUBLIC ADMINISTRATOR

Internal Audit Charter

September 2016

MISSION AND PURPOSE

Mission

The San Luis Obispo (SLO) County Internal Audit Division's Mission is to provide reliable, independent, objective evaluations and advisory services to County management, the Board of Supervisors, and other stakeholders. By utilizing a systematic, disciplined approach, our services will add value to and improve operations. We will provide expertise to evaluate and improve the effectiveness of controls and other processes, minimize risks, and enhance operational effectiveness for stakeholders; as well as contribute to protecting and safeguarding resources and assets.

Purpose

We exist to inspire and elevate public trust in government by assisting and supporting the County, the Board of Supervisors, and other stakeholders in achieving their mission with transparency and integrity.

To carry out our purpose we will engage in the following core activities:

- We will provide excellent support to the County's management, staff, and stakeholders by conducting independent, effective, and efficient analyses which enhances customers' ability to meet their objectives.
- We will provide reasonable assurance of accountability, transparency, and due diligence, by conducting audits and reviews of operations, programs, and projects to ensure public funds are spent appropriately and within the scope of the intended purpose.
- We will help to ensure public funds are used in the most efficient and effective manner through the development and monitoring of internal controls and processes.
- We will help to prevent fraud, waste, and abuse by continuous assessment, education, and monitoring of risk.
- We will help to ensure the County is in compliance with necessary reporting, monitoring and compliance requirements governed by various statutes, codes, and regulations.
- We will ensure internal audit staff are properly trained and kept apprised of new accounting and auditing standards and best practices.
- We will conduct a quality assurance and improvement program which assesses the efficiency and effectiveness of the internal audit division, including promoting effective control at a reasonable cost, and identifying opportunities for improving the internal audit division's performance and ability to add value.

AUTHORITY & RESPONSIBILITY

Authority

The authority for the audit function is found in California Government Code Sections 26881 and 26883.

Responsibility

The responsibility of the Internal Audits division is to serve the County in a manner that is consistent with California Government Code 1236.

When conducting activities in accordance with the International Professional Practices Framework, promulgated by the Institute of Internal Auditors (IIA), audit staff must comply with the IIA's Code of Ethics, the Definition of Internal Auditing, and the International Standards for the Professional Practice of Internal Auditing.

Accordingly, the internal audit division has the responsibility to:

- Remain independent and internal auditors must be objective in performing their work
- Disclose details of any appearance or fact of impairment
- Develop a risk-based annual audit plan
- Review and appraise the soundness, adequacy, and applicability of the financial and operating controls, data, and program results
- Ascertain the extent of compliance with established policies, plans, and procedures
- Evaluate the extent to which assets are accounted for and safeguarded from loss
- Perform engagements with proficiency and due professional care
- Continually enhance knowledge, skills, and other competencies
- Develop, maintain, and report on a quality assurance and improvement program
- Add value to the organization through evaluating and contributing to the improvement of governance, risk management, and control processes using a systematic and disciplined approach
- Clearly communicate the results of engagements to the appropriate parties
- Clearly communicate the nature of significant risks and controls to management and the Board, including instances where management has accepted a level of risk that may be unacceptable to the County organization
- Establish and maintain a system to monitor the disposition of results communicated

INDEPENDENCE

Independence is the freedom from conditions that threaten the ability of the internal audit division to carry out internal audit responsibilities in an unbiased manner.

The internal audit division reports to the County Auditor-Controller-Treasurer-Tax Collector who achieves organizational independence through election by the citizens of San Luis Obispo County and through unhindered interaction with the Board of Supervisors.

Internal audit staff shall follow recognized professional auditing standards and be free of County operational and management responsibilities that conflict with the standards.

ACCESS

Except where prohibited by law, the internal audit division shall have unrestricted access to:

- County records, property, and personnel
 - To protect confidential information, no internal audit report shall directly reference or quote confidential information that is protected
- The Board of Supervisors, the County Administrative Officer, and the Auditor-Controller-Treasurer-Tax Collector

EFFECTIVE DATE

This charter is effective immediately upon approval by the San Luis Obispo County Auditor-Controller-Treasurer Tax Collector and the Board of Supervisors.